

Dear Member,

June 10, 2003

Since signing our long-term power supply contract with Bonneville Power Administration (BPA) in 1997, we have provided our membership with electricity at rates that are among the lowest in the Pacific Northwest. Now we would like to announce a new energy choice. Vigilante Electric is offering Alternative Renewable Energy (ARE) to members who wish to contribute to the amount of wind and solar energy placed on the western electric grid.

Bonneville Power Administration has had ARE as a part of its energy portfolio for some time, most of which comes from wind generation produced in Wyoming, Oregon and Washington. Many utilities throughout the west have purchased blocks of this power to offer their customers.

Vigilante Electric recognizes that there are benefits of adding cost effective alternative renewable energy to a hydroelectric based energy supply to meet load growth, and we have been monitoring this industry for potential opportunities. However, two barriers had prevented us from offering this product - the size of the block available and the cost associated with the block. Being a small electric utility, with a low wholesale electric rate, made the commitment to purchase ARE a poor financial choice. Now, in an effort to expand the use of alternative renewable energy, BPA has developed a product that overcomes these barriers allowing us to offer it to our members at a rate that may be more attractive.

Vigilante Electric will sell ARE in blocks of 100 kilowatt hours. Each block will cost an additional \$1.10 above your current energy cost. For example, a member on our residential "A" rate using 1150 kilowatt hours of electricity would normally get a bill for \$73.50. But, if the member purchases one block of alternative renewable energy, the additional charge of \$1.10 will bring the total bill to \$74.60. For members who wish to base their alternative renewable energy purchase on all of their usage, the additional charge would be calculated by taking the usage for the billing cycle multiplied by 1.1 cents per kilowatt hour.

One important thing to understand is that this is not direct delivery of this product to the meter. The electric grid is an interconnected supply network with many sources of generation attached to it. The sources for this alternative renewables program are part of this network.

As you can see from the example the additional cost of this product is very small. However, the benefits of placing more and more of this type of energy on the grid are significant. We strongly encourage those interested in finding out more details or participating in this program to contact me at 683-2327 or 800-221-8271.

Rod Siring

Marketing/Member Service
Vigilante Electric Cooperative